

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|-----------------|
| PURCHASED WATER ADJUSTMENT OF |) | |
| WESTERN ROCKCASTLE WATER |) | CASE NO. 93-193 |
| ASSOCIATION, INC. |) | |

O R D E R

On May 19, 1993, Western Rockcastle Water Association, Inc. ("Western Rockcastle") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Western Rockcastle purchases water from Mt. Vernon Water Works ("Mt. Vernon").

2. Mt. Vernon increased its rate for water sold from \$.98 per 1,000 gallons to \$1.07 per 1,000 gallons effective April 21, 1993. Western Rockcastle proposes to increase the water rates to its customers effective June 10, 1993.

3. During the 12 months ending March 31, 1993, Western Rockcastle purchased 107,929,600 gallons of water and sold 82,700,000 gallons. The increase in the cost of purchased water is \$9,714, resulting in a purchased water adjustment of 12 cents per 1,000 gallons of water, as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of Western

Rockcastle's customer would increase \$.60 from \$24.00 to \$24.60 or 2.5 percent.

4. Western Rockcastle has miscalculated the purchased water adjustment factor insofar as it failed to provide water purchases and sales that were within 90 days of the filing date and to divide the increased cost of water purchased by the annual sales. Therefore, the purchased water adjustment factor and the rates proposed by Western Rockcastle should be denied.

5. The purchased water adjustment of 12 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Western Rockcastle are hereby denied.

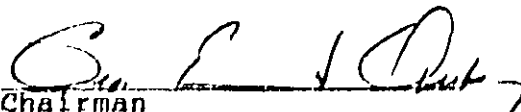
2. The purchased water adjustment of 12 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after June 10, 1993.

3. Within 30 days of the date of this Order, Western Rockcastle shall file revised tariff sheets setting out the rates approved herein.


4. Within 20 days of the date of this Order, Western Rockcastle shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 28th day of June, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-193 DATED JUNE 28, 1993

The following rates and charges are prescribed for the customers in the area served by Western Rockcastle Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 x 3/4 Inch Meters

| | |
|---------------------|------------------------|
| First 2,000 gallons | \$10.74 Minimum Bill |
| Next 3,000 gallons | 4.62 per 1,000 gallons |
| Next 5,000 gallons | 3.62 per 1,000 gallons |
| Next 40,000 gallons | 2.37 per 1,000 gallons |
| Next 50,000 gallons | 1.87 per 1,000 gallons |

1 Inch Meters

| | |
|---------------------|------------------------|
| First 5,000 gallons | \$24.60 Minimum Bill |
| Next 5,000 gallons | 3.62 per 1,000 gallons |
| Next 40,000 gallons | 2.37 per 1,000 gallons |
| Next 50,000 gallons | 1.87 per 1,000 gallons |

1 1/2 Inch Meters

| | |
|----------------------|------------------------|
| First 10,000 gallons | \$42.70 Minimum Bill |
| Next 40,000 gallons | 2.37 per 1,000 gallons |
| Over 50,000 gallons | 1.87 per 1,000 gallons |

2 Inch Meters

| | |
|----------------------|------------------------|
| First 16,000 gallons | \$56.92 Minimum Bill |
| Next 34,000 gallons | 2.37 per 1,000 gallons |
| Over 50,000 gallons | 1.87 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-193 DATED JUNE 28, 1993

Purchased Water Adjustment Calculations

Water Purchased: 107,929,600 gallons

Water Sold: 82,760,000 gallons

Cost at changed Rate:

$107,929,600 \times \$1.07 = \$115,484.67$

LESS

Cost at Base Rate:

$107,929,600 \times \$.98 = \$105,771$

Increase in cost: \$9,714

$\$9,714 \div 82,700,000 \text{ gallons sold} = \$.1174 \text{ or } \$12 \text{ cents}/1,000$
gallons